



INCOME TAX ACT 1995

INCOME TAX (EMPLOYERS) (TEMPORARY TAXATION) ORDER 2012

Approved by Tynwald 22 February 2012
Coming into operation 24 February 2012

The Treasury makes this Order under section 15 of the Income Tax Act 1995¹.

1 Title

This Order is the Income Tax (Employers) (Temporary Taxation) Order 2012.

2 Commencement

If approved by Tynwald², this Order comes into operation on 24 February 2012.

3 Amendment of the Income Tax (Instalment Payments) Act 1974

(1) The Income Tax (Instalment Payments) Act 1974³ is amended as follows.

(2) After section 8, insert –

“8A Compulsory use of the Online Employer Tax Service

(1) An employer must comply with this section unless –

- (a) the employer is exempted from such compliance under subsection (7);
- (b) the cumulative total of the employer’s employees in the preceding calendar year was less than five; or

¹ 1995 c.12

² As required by section 15(2) of the Income Tax Act 1995

³ 1974 c. 7

- (c) the employer proves to the satisfaction of the Assessor that the employer –
 - (i) does not have access to the internet; or
 - (ii) is otherwise unable, with reasonable excuse, to comply with this section.
- (2) For the purposes of subsection (1)(c)(ii) –
 - (a) an insufficiency of funds to pay income tax is not a reasonable excuse; and
 - (b) where reliance to comply with this section is placed on any other person, neither the fact of the reliance nor any dilatoriness on the part of the person relied upon is a reasonable excuse.
- (3) Subsection (4) applies if an obligation of an employer under the Income Tax Acts is capable of being complied with by the employer utilising the Online Employer Tax Service.
- (4) With effect from the effective date, the employer must utilise the Online Employer Tax Service so as to comply with the obligation.
- (5) An employer who fails to comply with subsection (4) commits an offence and is liable on summary conviction to a fine not exceeding £5,000.
- (6) The effective date is –
 - (a) for an employer with a cumulative total of more than 100 employees during the 2011 calendar year, 6 April 2012;
 - (b) for an employer with a cumulative total of more than 10 employees during the 2012 calendar year, 6 April 2013; or
 - (c) for any other employer, 6 April 2014.
- (7) Upon receipt of an application from an employer, the Assessor may exempt the employer from compliance with this section if the Assessor considers that it would be unduly onerous for the employer to comply with it.
- (8) An application under subsection (7) must be in the form and manner required by the Assessor.
- (9) An employer may appeal to the Commissioners against a decision of the Assessor not to exempt the employer under subsection (7) and the Commissioners may confirm, vary or revoke the decision.
- (10) The Treasury may make regulations which it considers to be necessary or expedient for the purpose of implementing this section.

- (11) Without limiting subsection (10), the regulations may –
- (a) amend or repeal a provision of the Income Tax Acts which appears to the Treasury to be inconsistent with, or to have become unnecessary or to require modification as a consequence of, the regulations; and
 - (b) contain consequential, incidental, supplementary and transitional provisions which the Treasury considers to be necessary or expedient.
- (12) Regulations under subsection (10) must not come into operation unless they are approved by Tynwald.
- (13) In this section –
- “cumulative total”, in connection with the number of employees employed by an employer during a calendar year, means the total number of different employees so employed at any time during the year, whether or not they remain in such employment throughout the year;
- “Income Tax Acts” includes public documents made under those Acts; and
- “Online Employer Tax Service” means the Employer Tax Service accessible through –
- (a) the Income Tax Services page (www.gov.im/treasury/incometax/services) of the website of the Isle of Man Government (www.gov.im); or
 - (b) such other website address as may be made available by the Treasury for use by employers.”.

MADE

6th February 2012



Minister for the Treasury

EXPLANATORY NOTE
(This note is not part of the Order)

This Order amends the Income Tax (Instalment Payments) Act 1974 so as to require employers to comply with their obligations under the Income Tax Acts (subject to certain exceptions) by utilising the Employer Tax Service of the Income Tax Division of the Treasury, which is accessible online via the Government website.